



Cabinet

Subject Heading:

Update of the Council's Medium Term Financial Strategy (MTFS) and budget for 2019/20

Cabinet Member:

Councillor Damian White

SLT Lead:

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Policy context:

The report provides an update on the Medium Term Financial Strategy for the period 2019/20 to 2022/23. It also sets out the process and timetable the Council will follow in order to achieve a balanced budget for 2019/20 including proposals for a two month consultation period.

Financial summary:

This report includes:

- the current national funding outlook
- a summary of the council's current financial situation
- the approach to setting the Council's 2019/20 budget and MTFS for the following three years
- proposed arrangements for a two month consultation process on the proposals for service reductions, the Council's Transformation Programme and ideas for future investment.

Is this a Key Decision?

Yes

Is this a Strategic Decision?	Yes
When should this matter be reviewed?	November 2018
Reviewing OSC:	Overview & Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report sets out the current position on the Council's Medium Term Financial Strategy which outlines the pressures and funding changes the Council is expecting over the next four years.

The report presents an overview of the national economic and financial environment within which all local authorities are currently developing their financial plans for the next four years. It explains the complex range of factors affecting local authority forecast funding streams and expenditure pressures and the Council's position in relation to these matters.

The report sets out the Council's current financial situation, its approach to achieving financial balance over the period 2019/20 to 2022/23, its initial budget proposals for closing the financial gap for 2019/20 and proposals for a two month budget consultation over the summer.

This report consists of the following sections:

- Policy and strategic context (section 1)
- Summary of the Council's current financial situation (section 2)
- Update on the Medium Term Financial Strategy (section 3)
- Proposals to close the funding gap (section 4)
- Proposals in relation to Council Tax Support (section 5)
- Proposals in relation to Council Tax chargeable for empty properties (section 6)
- The proposed consultation process (section 7)

RECOMMENDATIONS

The Cabinet is asked to:

1. Note the financial context.
2. **Agree** the proposed consultation process and associated timetable as set out in section 7.
3. Consider the proposal to revise the Council Tax Support Scheme and agree that the statutory consultation be undertaken on the basis set out in Section 5, Section 7, Appendix D and Appendix E.
4. Give approval to commence consultation on the proposal to increase the Council Tax empty homes premium to 100% for properties that have been empty for more than two years.

REPORT DETAIL

1. Policy and Strategic context

- 1.1 This report presents an update on the Medium Term Financial Strategy (MTFS) between 2019/20 and 2022/23 that will be developed to deliver the Council's objectives and priorities whilst maintaining tight financial control and ensuring prudent levels of reserves and balances are maintained.
- 1.2 Havering Council's vision is focused around four cross-cutting priorities:

Communities

We want to help our residents make positive lifestyle choices and ensure a good start for every child, enabling them to reach their full potential. We will support families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents.

Places

We will work to achieve a clean, safe environment for all. This will be secured through working with residents to improve our award-winning parks and continuing to invest in our housing stock, ensuring decent, safe and high standard properties. Our residents will have access to vibrant culture and leisure facilities, as well as thriving town centres.

Opportunities

We will provide first-class business opportunities by supporting the commercial development of companies within the borough, as well as being a hub for start-ups and expanding businesses. We will ensure sustainable economic growth that generates local wealth and opportunities, as well as securing investment in high-quality skills and careers.

Connections

We want to capitalise on our location with fast and accessible transport links both to central London and within the borough. Likewise, we will continue to make Havering a digitally-enabled borough that is connected to residents and businesses. Enhancing our connections will strengthen the borough's offer as a Greater London hub for business.

1.3 Uncertainty over future funding for Local Government

There continues to be significant uncertainty in future funding for Local Government. In addition, the Council continues to experience significant population growth and demographic change, placing further pressure on service provision.

1.4 Central Funding reductions

The Government provided indicative four year funding totals for councils for the period up to 2019/20. The funding reductions have been significant during this period but this process has enabled councils to prepare in advance for this change in funding. In 2019/20 based on the Government's totals, Havering is expecting a further £5.5m central funding reduction on top of the £20m which has been withdrawn over the previous three years.

The future beyond 2019/20 is far less clear. The Government has continued to promote business rate retention rewarding councils and pooled areas who exhibit growth. Havering is part of the London business rate pool pilot in 2018/19.

The Government will announce a National Spending review in 2019 which is likely to set overall control spending levels for government departments including those that fund Local Government. It is unclear whether there will be a further squeeze on public sector funding as the review will need to take into account both the national economic situation and government priorities.

1.5 The Fair Funding review

In Spring 2018 the Government issued a consultation to gather thoughts and ideas regarding the forthcoming fair funding review. This review has the aim of revising and updating the distribution process of funding between local authorities. This review will NOT set the overall funding total for local government it will simply assess the relative needs and pressures of authorities to ensure the distribution method between authorities is as fair as possible.

Havering responded to the fair funding consultation setting out its concerns and requested that the following items needed to be fully reflected in the revised funding allocation methodology:

- Population increases (significant in Outer London Boroughs)
- The higher cost of Housing in London
- Rising levels of homelessness
- The cost and complexity of Children's Services, especially in relation to Looked After Children
- The number and net cost in London of families with no recourse to public funds
- The high number of Unaccompanied Asylum Seekers in London
- The need to ensure that Area Cost Adjustment (ACA) is brought fully into all new formulae to reflect differing and higher costs in London.

The Government has not formally set out the timetable for the review but the results are expected to be used to distribute funds from 2020/21 onwards. It is also expected that transition arrangements will be put in place to dampen the effect of significant distributional changes between authorities.

1.6 Business Rate Retention

Havering has entered into a pilot London-wide pool for business rates. The key points regarding the pool are listed below:

- The pool is voluntary, but includes all London authorities
- London will retain a greater share of business rates in exchange for Revenue Support Grant
- a "no detriment guarantee" - the pool could not be worse off than the London Boroughs would have been collectively if they had not entered the pilot pool
- No "new burdens" would be transferred to London
- Public Health and Improved Better Care Fund grants would not be rolled in initially, but there are plans to include them if all parties were to agree to continue a pilot into 2019/20
- The pool in 2018/19 does not bind boroughs – the founding agreement includes notice provisions for authorities to withdraw provided notice is given by 31 August each year; and
- All member councils will receive some share of any net benefits arising from the pilot pool – recognising that growing London's economy is a collective endeavour in which all boroughs make some contribution to the success of the whole.

1.7 Unringfenced Grant Streams

The Council currently receives a number of unringfenced grants from Government. Indicative figures have been provided for 2019/20 but for the majority of the unringfenced grants there is no guarantee as to their future. The table below sets out these grants for Havering at present with current MTFS assumptions.

Description	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Unringfenced Grants					
Improved Better Care Fund (iBCF)	4.822	5.619	0.000	0.000	0.000
New Homes Bonus	4.376	2.948	2.948	2.948	2.948
Under-indexing compensation grant	0.762	0.762	0.762	0.762	0.762
CT Support Admin Subsidy (DCLG)	0.279	0.279	0.279	0.279	0.279
HB Admin Subsidy H BS13-2017 (DWP)	0.681	0.681	0.681	0.681	0.681
Homelessness Reduction Act - New Burdens	0.213	0.201	0.201	0.201	0.201
Flood Funding	0.021	0.021	0.021	0.021	0.021
Extended Rights to free travel	0.005	0.005	0.005	0.005	0.005
Adults Social Care Grant	0.629	0.629	0.629	0.629	0.629
SEND Implementation Grant	0.150	0.150	0.150	0.150	0.150
SEND Preparation for employment	0.054	0.054	0.054	0.054	0.054
Total Unringfenced Grants	11.991	11.348	5.729	5.729	5.729

- Currently the Council is assuming that the Improved Better Care Fund (iBCF) will cease after 2019/20. It is unclear when further announcements will be made on the future of this grant
- New Homes Bonus (NHB) is currently awarded based on net councilwide property growth and is payable over four years. No further New Homes Bonus has been predicted for 2019/20 as net new builds are currently below the Government threshold to earn NHB. For 2020/21 NHB is projected to flatline but in order to achieve this MTFS assumption the Council will need to generate significant net new homes from 2019 onwards to replace the NHB from previous years falling outside the most recent four years. The table below sets this out in more detail.

CUMULATIVE NHB PAYMENTS	Approx net new properties required	2018/19	2019/20	2020/21	2021/22	2022/23
		(M)	(M)	(M)	(M)	(M)
2015/16 Award		1.429				
2016/17 Award		2.117	2.117			
2017/18 Award		0.817	0.817	0.817		
2018/19 Award		0.014	0.014	0.014	0.014	
2019/20 Estimate	300*					
2020/21 Estimate	1600			2.117	2.117	2.117
2021/22 Estimate	820				0.817	0.817
2022/23 Estimate						0.014
TOTAL MTFS Assumption		4.377	2.948	2.948	2.948	2.948

* Latest estimate below the threshold to earn NHB

- Further work will be undertaken in the summer to review and align the net new build estimate with the Council's regeneration programme and knowledge of other building plans in the borough
- The Government changed the formula to award NHB following consultation in December 2016. The outcome of the consultation allowed the Government the possibility to withhold NHB if a local plan is not in place. In addition, the Government have stated they will consider withholding NHB payments from local authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth. They will also consider withholding payments for homes where the local authority rejected the initial planning permission but where the homes are eventually built following an appeal. In the 2018/19 settlement the Government have chosen not to enforce these additional requirements but may choose to for future years.
- The other unringfenced grants listed above are smaller and at present it is assumed they will continue at current levels over the duration of the MTFS.

1.8 Adult Social Care Green Paper

The Secretary of State has recently announced that the Green Paper on Adult Social Care will be published in the autumn to align with the National Health Service (NHS) plan. The total funding for Adult Social Care will be determined as part of the 2019 Spending Review.

The Government have also recently announced a £20bn increase in funding for the NHS by 2023. It is expected that this will be funded from three sources (reduction in payments to the European Union following Brexit, growth in the economy and tax rises). There is therefore no direct evidence that local government will be cut to fund this increase. It is possible that revenue from economic growth could potentially be re-directed away from local government. This will be a risk until the Government's plans become more transparent.

1.9 Other pressures

There are a range of further pressures, risks and uncertainties facing the Council. These include:-

- Changes in the numbers of people presenting to the council for support who have 'No Recourse to Public Funds' (NRPF) and Unaccompanied Asylum Seeking Children (UASC)
- Changes in demographics such as increasing numbers of children, elderly and people with disabilities plus a general increase in the local population. There is recent evidence of a slowdown in population growth nationally but it is too early to judge the impact of this on Havering
- Havering's pension fund will be revalued in 2019 and this may impact the annual contribution the Council has to make from 2020
- Waste volumes continue to increase, pushing up costs in line with current contracts and arrangements. The East London Waste Authority must put in place new arrangements for waste disposal, or extend the current arrangements, from 2027.

2. The Council's Financial Position at 31 March 2018

2.1 The Council's draft accounts have been published for 2017/18 and are currently subject to external audit. The audit is due to conclude by 31 July 2018, two months earlier than for 2016/17, in line with government requirements.

2.2 The Council services outturn spend was £136.060m against a controllable net revised service budget of £136.646m, an underspend of £0.586 million (0.4% of the net controllable budget). However, this followed an injection of £1.8m from the Corporate Risk Budget for Children's Services, which experienced significant budget challenges during the year.

2.3 The principle variances were as follows:

- Children's Services overspend in total was £2.150m (£0.350m plus £1.8m from Corporate Risk Budget)
- Adult Social Care and Health were on budget
- Housing Services overspent by £1.154m, mainly due to pressures on homelessness budgets
- oneSource shared had an overspend of £0.021m after a transfer of underspend of £0.630m to oneSource reserve

- Neighbourhoods underspent by £0.667m
- oneSource Non-Shared underspent by £0.830m
- Chief Operating Officer Directorate underspent by £0.794m

- 2.4 Although some growth was added into the budgets for Children's Services and Housing Services for 2018/19, there are still budget pressures in these areas this financial year.
- 2.5 There was no requirement for any drawdown on the Council's General Fund Balance £11.766 million at the end of the year.

3. Update on the latest Medium Term Financial Strategy

- 3.1 The Medium Term Financial Strategy sets out the pressures and funding changes the Council is expecting over the next four years together with the savings proposals in place to balance the budget. It is a live document and is updated regularly as information is received, which may alter assumptions made.
- 3.2 The budget report to Council in February 2018 balanced the 2018/19 budget and identified a remaining gap to be closed of £30.025m over the next four years. Since the February 2018 meeting, further work has been undertaken to update and refresh the MTFs and this report sets out those changes together with proposals to close the gap.
- 3.3 It is assumed at this stage of the budget process that the Government's four year financial settlement and the position with respect to local authorities' ability to raise income via the Adult Social Care Precept will continue to be implemented unchanged. The table below shows the medium term financial position presented to Council in February as part of the 2018/19 budget setting process.

February Position	2019/20	2020/21	2021/22	2022/23	4 Year Total
	£m	£m	£m	£m	£m
Corporate Pressures	12.361	12.137	3.010	1.328	28.836
Demographic and Inflationary Pressures	10.540	8.428	3.717	3.876	26.561
Corporate Adjustments	-1.980	-1.020	-0.142	-0.500	-3.642
Savings already agreed at Council	-10.579	-6.659	-1.988	-2.503	-21.730
Budget Gap	10.341	12.886	4.596	2.201	30.025
Cumulative	10.341	23.227	27.823	30.025	

- 3.4 Since February there have been a number of changes to this position which has resulted in a revised gap of £37.8m over 4 years. The movements to the new position are set out in the next table.

Latest Position	2019/20	2020/21	2021/22	2022/23	4 Year Plan
	£m	£m	£m	£m	£m
Gap at Council February 2018	10.341	12.886	4.596	2.201	30.025
Adult Social Care contract inflation pressure	1.600				1.600
Revision to pay inflation assumption		0.830	0.830	0.830	2.490
Revision to savings proposals	3.150	0.100	0.350		3.600
Reprofile Pension contribution following actuarial review	-1.000	-1.000	1.000	1.000	0.000
Reprofile Waste levy negotiation saving	0.500		-0.500		0.000
Revision to corporate assumptions	0.113				0.113
Revised Gap	14.704	12.816	6.276	4.031	37.828
Cumulative	14.704	27.520	33.796	37.828	

4. Proposals to close the funding gap

- 4.1 Significant work has been undertaken to close the funding gap presented above. The work falls into two themes:

- The first theme includes a range of service reductions and income generation proposals which have been identified for consideration. These are set out in Appendix A of this report. The proposals are service changes that can be implemented swiftly to meet the significant financial challenges that the Council faces in 2019/20 and 2020/21.
- The second theme takes a more transformational approach and includes programmes and projects that will modernise and improve services while delivering key efficiencies to help balance the budget. The proposals are set out in summary in Appendix Bi 'Transformation – Doing things differently' and in the form of individual concept cases in Appendix Bii. The nature of these programmes and projects means they will take longer to develop and implement. They are typically cross-departmental and require collaboration and cultural change across the Council, making them riskier to implement. They require corporate overview and programme management, and will only begin to provide a low level of savings in 2019/20.

- 4.2 An important element of the proposals under the 'Transformation – Doing things differently' theme is a Council wide review of all services over the next three years, benchmarking all services against the arrangements in other councils. Consideration will be given to the future commissioning and delivery arrangements with the following options being explored:-

- Outsourcing where it is currently provided in-house
- Consideration of the potential for a Joint Venture Partnership
- In-sourcing where it is currently outsourced
- Sharing with another organisation
- Transferring the service into a council owned company or a community interest company.

4.3 In addition, areas have been identified for potential investment. These are as follows:

- Highways repairs
- Masterplanning of town centres to promote regeneration
- Investment in Romford Market
- Additional policing to be paid for by the council on top of the statutory Metropolitan Police provision
- Meeting housing demand
- Financial support to foster carers to extend their homes to accommodate more children
- Investment in services for vulnerable residents.

4.4 Detailed business cases are being drafted for these proposals over the coming months. As part of this process, a public consultation is proposed seeking the views of a wide range of stakeholders as to the viability and attractiveness of the proposals being made. The business cases will be presented to the Cabinet in the autumn.

5. The Council Tax Support Scheme 2019

5.1 The Council Tax Support Scheme (CTS) has been in place since 1 April 2013. The CTS grant was rolled into the settlement funding allocation (SFA) which has been reduced annually in line with core funding. The consequence of less funding is that councils are left with choices as to whether to increase Council Tax, reduce other services, increase other sources of income or make amendments to the Council Tax Support Scheme to manage the financial shortfall.

5.2 The precise figures for the reduction in the CTS grant are not exemplified as the CTS grant has been rolled in with the overall reduction in the RSG. The MTFS report outlines a number of proposals to transform services to meet the financial pressures. Further reductions and changes could be made to other services to address the reduction in Government funding in relation to the Council Tax Support Scheme but these would be on top of the already significant savings and additional income proposals required to balance the Council's financial position in the medium term. It is therefore proposed that Council Tax Support Scheme is reduced as part of a range of proposals for balancing the Council's MTFS.

- 5.3 The review has highlighted options for change in line with other surrounding councils' existing schemes which have duly considered and protected claimants of pensionable age in accordance with law. Therefore the proposals for change would only affect working age applicants.
- 5.4 After much consideration, eight options for changes to Council Tax Support Scheme have been put forward which propose changes that will reduce estimated expenditure by varying degrees. These options are set out in Appendix D.
- 5.5 Officers recommend Option 4 for consultation which proposes an additional 10% reduction in Council Tax Support for claimants without disabilities and only 5% reduction for claimants with disabilities. This will make the overall reduction 25% for working age claimants without disabilities and 20% for working age claimants with disabilities.
- 5.6 This option provides a proportionate contribution to balancing the Council's MTFS whilst at the same time being more affordable to claimants than Options 5, 5a and 6. By comparison, Options 1 and 2 do not contribute sufficiently to the Council's funding gap.
- 5.7 This option would mean that no single vulnerable group is unduly impacted by the change which is the equivalent of an estimated additional £1.15 per week to pay in Council Tax for claimants with disabilities. Option 3 is not recommended due to its impact on claimants with disabilities. For working age claimants without disabilities, the estimated additional amount to pay in Council Tax would be £2.20 per week.
- 5.8 It has been proven through the Office of National Statistics that claimants with disabilities are less likely to be in employment than those claimants without disabilities. Therefore, it would be reasonable to maintain the CTS reduction at a lower level of 20% than for working age claimants without disabilities for whom the reduction is proposed at 25%.
- 5.9 In summary, the savings proposed through Option 4 are considered reasonable and it is believed will not cause undue hardship to working age claimants.
- 5.10 The net savings in each proposal assumes a bad debt provision of 10% and passes on 18% to the Greater London Authority.
- 5.11 An initial review has been undertaken of potential equality impacts. The consultation will provide further data to assist the final Equalities Impact Assessment that will accompany the final recommendation for decision in February 2019.
- 5.12 Following Members' consideration of the financial position and agreement to the basis on which a draft revised scheme should be consulted, the Council will consult with the Greater London Authority in advance of members of the

public and other interested parties. The proposed consultation documents are set out at Appendix E.

6. Council Tax Long Term Empty Homes Premium

- 6.1 Properties that are empty for more than two years are currently liable for a surcharge of 50%. The government is in the process of enacting legislation to provide the facility to increase this to 100% from 1 April 2019.
- 6.2 The premium is important as an incentive to bring long term empty properties back into use, increasing the supply of housing. In July 2018, there were 187 properties in the borough that have been empty for two years or more and of which 70 are Council owned (eg they are being held vacant pending redevelopment).
- 6.3 An increase in the long term empty homes premium would generate additional income of £133,069 in 2019/2020. However, as it is proposed that the premium be increased to encourage owners to occupy their properties, it is likely the additional income would reduce over time.

Owner	No. of Properties	Council Tax 2018/19 50% Premium	Council Tax 2019/20 100% Premium
Havering	70	£121,833	£162,444
Private	117	£277,375	£369,833
Total	187	£399,208	£532,277

- 6.4 The increased income from the Collection Fund would be split between the Council and the GLA at the ratio 82:18.
- 6.5 It is proposed that the consultation on this proposed increase be undertaken alongside the consultation on the proposals for reductions in Council Tax Support Scheme as set out in Appendix E.

7. Consultation on proposals

- 7.1 Consultation is planned to take place during August and September, in order that the findings can inform a budget report to the Cabinet in November. At this stage, consultation will focus on the broad direction of travel and general principles of the Council's budget strategy and transformation plan.
- 7.2 The proposed consultation questionnaire is attached as Appendix C. As well as views on the proposals set out above, the questionnaire seeks views on potential changes to council tax.
- 7.3 Subsequent to this initial consultation period, further assessment and/or a series of statutory consultations are likely to be required in relation to some of the detailed proposals. These will take place individually as the proposals are

developed. The length of these consultations may be prescribed by law. Otherwise they will be for a period suitable for feedback on the issues and may include a consultation period of twelve weeks.

- 7.4 The exceptions to this approach are the proposed reduction in Council Tax Support and the proposed increase to the Empty Homes premium. Detailed consultations on these proposals will take place in tandem with the wider budget consultation. The proposals to be consulted on are set out in Appendix D and the draft Consultation Survey is set out in Appendix E.
- 7.5 Havering is continually looking to modernise and improve services whilst reducing costs. As part of this process there will naturally be a number of efficiencies identified through improved processes that will have no direct impact on service delivery. The Council is not proposing to consult on these items as they are simply efficiencies through modernisation that any large organisation undertakes on a cyclical basis.
- 7.6 The consultation process feeds directly into the budget setting process. The timetable for budget setting is set out below.

Date(s)	Milestone / Activity
Thursday 25 July 2018	Cabinet agrees the approach to budget consultation 2018
Wednesday 1 August – Sunday 30 September 2018	Public consultation period
October 2018	Collation of the results of the consultation
14 November 2018	Budget report (including consultation findings) presented to the Cabinet
December 2018	Update on the budget including the outcome of the Chancellor's autumn statement
December 2018	Announcement of the Provisional Local Government Finance settlement
6 February 2019	Cabinet
20 February 2019	Budget Setting Council

- 7.7 A range of consultation events are planned for August and September. A schedule is set out in Appendix F.

IMPLICATIONS & RISKS

Financial Implications and Risks

The financial implications of the Council's MTFs are the subject of this report and are therefore set out in the body of this report. The consultation process set out in this report will be used to inform decision making on the budget.

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs.

Under S 28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

The Council is under a duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” s 3 Local Government Act 1999. As part of that process it must consult tax payers, those who use or are likely to use services and others who may have an interest in an area where the Council carries out its functions.

The budget consultation and approval process is separate from individual decisions which may need to be taken for example in relation to service delivery; these may require a separate consultation process and equality impact assessment before a final decision is taken.

Where consultation is undertaken it must comply with the ‘Gunning’ principles; namely it must be undertaken at a formative stage, sufficient information should be provided to enable feedback, adequate time should be given for consideration and responses and the feedback should be taken into account in any decision taken. The plans set out in the report in relation to consultation on the budget comply with these rules.

The Local Government Finance Act 1992 (as amended) provides at Schedule 1A paragraph 5 for revisions to a Council Tax Reduction Scheme. For each financial year the Council must decide whether to revise the scheme or replace it with another scheme. Any revision must be made no later than 11th March in the financial year preceding the year in which it is to have effect. Any revision invokes the consultation duties in paragraph 3 of the Schedule namely that

3 Preparation of a scheme

(1) Before making a scheme, the authority must (in the following order)—

- (a) consult any major precepting authority which has power to issue a precept to it,*
- (b) publish a draft scheme in such manner as it thinks fit, and*
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.*

Human Resource Implications and Risks

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance.

Equalities and Social Inclusion Implications and Risks

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity, and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

All proposals relating to the Medium Term Financial Strategy for the period 2019/20 to 2022/23 will be subject to an Equality Impact Analysis or assessment, which will be developed following the consultation process for inclusion in the further reports to Cabinet before the budget is finalised in February 2019.